



**Office of Campaign Finance
REPORTS ANALYSIS & AUDIT DIVISION
WASHINGTON, DC**

**THE COMMITTEE TO RE-ELECT CAROL SCHWARTZ
POLITICAL CAMPAIGN COMMITTEE REVIEW
2000 ELECTION YEAR**

**REPORT NO. RAAD-02-0002-CS
JUNE 2003**

DATE: JUNE 25, 2003

REPLY TO

ATTN OF: RAAD-02-0002-CS

SUBJECT: Committee to Re-Elect Carol Schwartz
Political Campaign Committee Review
2000 Election Year

TO: Councilmember Carol Schwartz
John A. Wilson Building, Suite 105
1350 Pennsylvania Ave NW
Washington, DC 20004

We have completed the audit of the Committee to Re-Elect Carol Schwartz (Committee). Our audit was designed to evaluate whether the Committee obtained and preserved from the date of registration, a detailed record of all contributions and expenditures disclosed in reports and statements filed with the Director of the Office of Campaign Finance. Our audit disclosed that the committee's campaign operations were generally conducted in accordance with the District's campaign finance regulations.

BACKGROUND:

The Committee to Re-Elect Carol Schwartz (Committee) filed its Statement of Candidacy on May 22, 2000. The Committee filed the Statement of Organization and the Statements of Acceptance for the positions of Treasurer and Chairman on June 10, 2000, with the Office of Campaign Finance (OCF), for re-election of Carol Schwartz to a Council At-Large Seat. OCF records disclosed that during the period May 2000 through July 2001, the Committee reported receipts and expenditures totaling \$203,092.91. In addition, OCF records disclosed that the Committee reported as part of its total receipts, a \$27,000.00 personal loan from the candidate to the Committee, which was repaid on December 7, 2000.

The D.C. Campaign Finance Reform and Conflict of Interest Act of 1974, as amended, D.C. Official Code, Sections 1-1101.01 et seq., (2001 Edition), 88 Stat. 447, Public Law 93-376 (hereinafter the "Campaign Finance Act") was enacted by Congress on August 14, 1974, to provide a means of monitoring and enforcing campaign finance laws, and the

financial disclosure of candidates and political committees in the District of Columbia. The primary goal of this legislation is to require that local candidates seeking election and treasurers of political committees make complete and full disclosures. Various provisions of the Campaign Finance Act are clarified by regulations promulgated by the Office of Campaign Finance (OCF) with the approval of the Board of Elections and Ethics. OCF regulations are cited under Chapters 30 through 37 of Title III, “Elections and Ethics”, of the D.C. Municipal Regulations.

OBJECTIVES:

The overall objectives of our review were to determine whether: (1) the Committee had established controls and procedures to ensure that expenditures were properly supported by invoices, cancelled checks and other supporting documentation; (2) the lease or rental of office space, furniture and equipment, etc. for the campaign were properly supported by a lease or rental agreement; (3) the Committee established procedures and controls to ensure that contributions received did not exceed the contribution limitation for the office being sought; (4) the committee’s records disclosed the contributor’s full name, mailing address, occupation and principal place of business; (5) the committee’s records contained information on partnerships including a letter from the contributing partnership indicating attribution of contributions to specific partners; and (6) all activities of the Committee were conducted in accordance with the District’s campaign finance laws.

SCOPE:

The audit was conducted in accordance with generally accepted government auditing standards and covered the campaign operations for the period, May 2000 through June 2002. The audit fieldwork began in May 2002 and ended in August 2002. The auditor obtained all records, reports and statements from the Committee as well as all information filed by the Committee at the Office of Campaign Finance (OCF). The audit fieldwork was performed at the Auditor’s Office.

METHODOLOGY OF AUDIT:

To accomplish the audit objectives we:

- Obtained and reviewed all records filed by the campaign with OCF;
- Obtained and reviewed all records and statements maintained by the candidate;
- Reviewed loan agreements for personal loans made by the candidate to the campaign committee;

- Cross-checked payment invoices to bank statements and individual checks;
- Obtained copies of partnership agreements or certificates and/or any other documentation detailing the individual owner(s) and the percentage of ownership interest from the District of Columbia's Office of Consumer and Regulatory Affairs, the Department of Assessment and Taxation for the State of Maryland, and State Corporation Commission for the Commonwealth of Virginia.

AUDIT RESULTS:

Our audit disclosed that the committee's campaign operations were generally conducted in accordance with the District's campaign finance regulations. We reviewed the committee's contributor records, which were cross-matched to the Report of Receipts and Expenditures Report (R&E) filed by the Committee with OCF and found that contributions received were within the limits established by campaign finance regulations.

We traced expenditure payments which were disclosed in the reports and statements filed with the Director to canceled checks, invoices, receipts; contracts, and lease agreements. We found that campaign expenditures were generally supported by adequate documentation.

Based on the results of our work, we found no reportable deficiencies and have no recommendations to offer. As a result, final action on this report is achieved upon issuance.

/S/

Richard Mathis
Supervisory Auditor